

**Rep. Brad Miller's Statement on the Emergency Economic Stabilization Act of 2008**

*Washington, D.C.* - Today, I voted to support the Emergency Economic Stabilization Act because I believe the compromise will help protect working and middle-class families from the crisis on Wall Street. I think the rescue plan will bring stability to the markets as we try to turn around our economy.

But, this bill is a very bitter pill for me. I probably have become the leading critic in Congress of the mortgage lending industry, including the financial institutions that bought predatory mortgages knowing full well the consequences of those mortgages for middle-class homeowners. The industry has not always taken my criticism with good humor. The industry hated the legislation that I introduced more than five years ago to prohibit predatory mortgage lending practices. And the industry really, really hated the legislation that I introduced last year to let bankruptcy courts modify predatory mortgages.

But I do think we are in a worsening financial crisis that will affect ordinary Americans, not just financial institutions. The economy will slow dramatically if every business and every American family has to operate on cash. If credit is not readily available and affordable, middle-class American families will have a hard time buying a new car, with disastrous results for the Americans who depend on the automobile industry for their livelihood. The story is the same in industry after industry.

This bill is a dramatic improvement on what the Bush Administration presented Congress not quite a week ago. There is now real transparency, and vastly improved accountability and oversight. The bill takes pains to shift the ultimate cost to the industry that made the mess, not innocent taxpayers.

I regret that this bill does not do more for families living in houses that they could afford, but are stuck with abusive mortgages that they can't. Millions of families will lose their homes to foreclosure, and foreclosures are pulling down home values for millions of other families. I will push hard for bankruptcy reform early next year.

I wish the limitations on the compensation of top executives were tougher, another issue we need to come back to.

I wish there were real reforms in consumer lending practices that cheat middle-class families with deceptive penalties and fees, and trap struggling families in a cycle of debt.

And I know that no matter what Congress does, we are all in for several tough months, and maybe longer. Many financial institutions are carrying assets on their books for far more than the assets are really worth. Banks won't trust each other enough to lend freely until insolvent institutions collapse, and taxpayers will foot much of the bill to pick up the pieces.

I reluctantly voted for this bill today, but I'm not finished with the fight against the heedless greed that is responsible for so much grief for so many Americans.

## **THE RESCUE PACKAGE INCLUDES:**

### **Protection for taxpayers, REQUIRING A PLAN TO BE REPAID IN FULL**

- Requiring Congressional review after the first \$350 billion is disbursed
- Gives taxpayers a share of the profits of participating companies, or puts taxpayers first in line to recover assets if a company fails
- Requires a President five years from now to submit a plan to ensure taxpayers are repaid in full, with Wall Street making up any difference
- Allows the government to also purchase troubled assets from pension plans, local governments, and small banks that serve low- and middle-income families

### **Limits on excessive compensation for CEOs and executives**

- No multi-million dollar golden parachutes for top 5 executives after auction
- No tax deduction for executive compensation over \$500,000
- Penalizes golden parachutes for CEOs who are fired or have run the company into the ground
- Limits CEO compensation that encourages unnecessary risk-taking
- Recovers bonuses paid to executives who promise gains that later turn out to be false or inaccurate

### **Strong independent oversight and transparency**

- Four separate independent oversight entities or processes to protect the taxpayer
- A strong oversight board appointed by bipartisan leaders of Congress
- GAO oversight and audits at Treasury to ensure strong controls; to prevent waste, fraud, and abuse
- An independent Inspector General to monitor the Treasury Secretary's decisions
- Transparency--requiring posting of transactions online--to help jumpstart private sector

demand

- Meaningful judicial review of the Treasury Secretary's actions

**Help FOR sTRUGGLING HOMEOWNERS** □

- The government can work with loan servicers to change the terms of mortgages (reduce principal or interest rate, lengthen time to pay back the mortgage) to reduce the 2 million projected foreclosures in the next year

- Extends provision (enacted earlier in this Congress) to stop tax liability on mortgage foreclosures

- Helps save small businesses that need credit by aiding small community banks hurt by the mortgage crisis--allowing these banks to deduct losses from investments in Fannie Mae and Freddie Mac stocks